

BUDGET SUMMARY

		FY 02 Adopted	FY 03 Adopted	FY 04 Adopted
Real Estate	\$	41,387,500	\$ 45,547,095	\$ 48,649,341
Personal Property		4,595,350	6,160,000	6,580,000
Mobile Homes		57,000	75,000	70,000
Machinery and Tools		5,119,485	5,380,000	5,649,000
Public Service		1,370,142	1,550,000	1,750,000
Delinquent Real Estate Taxes		1,500,000	1,500,000	1,500,000
Delinquent Personal Property		240,090	378,000	438,500
Penalties and Interest		492,700	594,500	635,000
Total	\$	<u>54,762,267</u>	<u>\$ 61,184,595</u>	<u>\$ 65,271,841</u>

BUDGET COMMENTS

General Property Taxes include revenues received from levies made on real and personal property of County residents and business establishments.

Real Estate Property Taxes on residential and business land and buildings are based upon a tax rate per \$100 of assessed value, which is adopted by the Board of Supervisors during the budget process. The tax rate is then applied to the assessed value of individual property, as determined by the Real Estate Assessor during the annual assessment. The Commonwealth of Virginia requires localities to assess real property at 100 percent of market value.

The actual collections for FY 2003 are expected to be slightly higher than the budgeted figure. The projected FY 2003 revenue, when compared to expected actual collections in FY 2002 represents an increase in 7.9 percent.

Personal Property Taxes are assessed by the Commissioner of the Revenue on four major property categories - individual personal property, business personal property, mobile homes, and machinery and tools. The tax rate is \$4.00 per \$100 of assessed value. Individual and business vehicles are assessed at 100 percent of loan value as determined by the National Automobile Dealers Association. Business equipment, machinery, and tools are assessed at 25 percent of capitalized cost. Mobile homes are assessed at current market value and are billed at the real estate tax rate. Beginning in FY 1999, the State began reimbursing localities for car taxes refunded to citizens under the new law. The collection of personal property taxes is shifting from local taxpayers to the State under the State's "Car Tax" initiative. The chart on page B-3 illustrates the impact:

BUDGET COMMENTS, Continued

	FY 02 <u>Adopted</u>	FY 03 <u>Adopted</u>	FY 04 <u>Adopted</u>
<u>"Car Tax" Impacts</u>			
Local Collections	\$ 4,595,350	\$ 6,160,000	\$ 6,580,000
From the Commonwealth	<u>10,467,541</u>	<u>11,440,000</u>	<u>12,220,000</u>
	<u>\$ 15,062,891</u>	<u>\$ 17,600,000</u>	<u>\$ 18,800,000</u>

The large increase from FY 2002 to FY 2003 is based on actual past collections and projected assessments. The split between local collections and the State's reimbursement is based on 70 percent.

Unaffected by the State's "Car Tax" initiative are County personal property assessments on boats, airplanes, trucks, trailers, and business personal property.

Public Service Assessments are performed by the State Corporation Commission on property owned by regulated public utilities, which include railroads, electric, telephone, gas, and telecommunications companies.

Machinery and Tools are those items of business personal property that are used in a manufacturing application. The assessment of machinery and tools is based on costs so any increase in revenues is the result of actual growth in machinery and tools.